

Rewald's CIA Link Established; FBI Takes Classified Documents

By Charles Memminger
Star-Bulletin Writer

With acknowledgment by the U.S. Attorney's office yesterday that some "classified" documents were found in Bishop, Baldwin, Rewald, Dillingham & Wong's files, discussions have now changed from "whether" Ronald R. Rewald worked for the CIA to how extensive his involvement with the agency was.

U.S. Judge Martin Pence yesterday appointed an FBI agent with national security clearance to take custody of six packets of classified documents found by CIA and FBI agents who sifted through a mountain of records from the company.

Pence also ordered bankruptcy trustee Thomas Hayes to turn over any copies of a classified document "presently in his possession" and for Rewald's attorney, Brook Hart, to turn over any copies of classified material he might have.

Hayes said he would turn

over the document, which is a letter Rewald sent earlier this year to Jack Rardin, head of the CIA office here.

In the letter, Rewald asked that the CIA intervene in an Internal Revenue Service investigation of Rewald's tax liabilities, pointing out that the investigation would hurt Rewald's "cover," Hayes said.

HAYES SAID the letter was "something the CIA had obviously missed," when agents went through the files three weeks ago. Hayes found the letter after all of the records were returned to him. He gave the original letter to the CIA reviewing team on Aug. 24, he said, but kept a copy of it.

Hayes said he believes Rewald was merely a "bit player" for the CIA and that the company may have been used as a CIA "mail drop."

Rewald is under criminal investigation by the IRS, and a federal magistrate recently gave IRS investigators the power to

seize Rewald's financial records. Hayes said Rewald's CIA connection has nothing to do with the fact that he apparently misused millions of dollars of investors' money.

"There is nothing in the letter that would indicate any link between his role as a CIA mail drop and any of his activities involving investors," Hayes said yesterday.

Police sources who have been investigating Rewald and his bankrupt company also have said they suspect Rewald only had a minor role with the CIA, possibly passing information on to John Kindschi, the former head of the CIA office here who worked as one of Rewald's consultants after retiring.

BUT A FORMER consultant to Rewald, who asked not to be named because of possible pending litigation, said he believes Rewald had a more important role. He said classified informa-

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Sue Wilson
Rewald's confidante

'Mystery Woman' Sought in Bankruptcy

By Charles Memminger
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The former office manager of Ronald R. Rewald's bankrupt investment company remains a somewhat mysterious figure in the unfolding tale of Bishop, Baldwin, Rewald, Dillingham & Wong.

Sue Wilson, a 35-year-old divorcee, has been described by people within the company as Rewald's "right-hand man."

It was Wilson who signed a large number of the checks drawn from the investors' accounts, many of which went to pay for Rewald's personal expenses. Wilson also was in charge of the daily flow of money in and out of the company.

It is also Wilson who was named in court as having liquidated possibly \$1 million in stocks from the McCormick trust, a multi-million dollar trust fund that Rewald had transfer-

red from Mellon Bank Pittsburgh to his control last

Wilson had power of attorney over the trust, bankruptcy trustee Thomas Hayes has said.

AND IN LIGHT of Rewald's connection to the CIA, Wilson also has come under scrutiny because of her own possible ties to a government agency.

Sources close to the case have said Wilson at one time worked for the National Security Agency, an agency of the Defense Department. The National Security Agency is headquartered at Fort Meade, Md., near Baltimore, where Wilson was born and lived before coming to Hawaii. According to a government information directory, the National Security Agency advises the president on matters of security and collects information on national defense.

A former consultant with Rewald's company said on

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FBI Receives Records Linking Rewald to CIA Role

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tion came into the office and was passed on to both Kindschli and Rardin. Some of the classified information was transported by Sue Wilson, the company's former office manager who allegedly had been employed by the National Security Agency, sources said.

Because Rewald's CIA relationship is now public, the consultant said he hopes it will have an effect on Rewald's case.

"It should have the effect of slowing down things from the hysterical atmosphere of the past," he said.

He said he hoped the CIA now would be "more reflective on what it should do."

"Their initial reaction was to deny everything," he said. "Now there is certain information available they are going to have to make a big decision about what to do."

U.S. ATTORNEY Daniel Bent would not comment on what the classified documents were that were found in Rewald's files.

He said the court-appointed security officer will make copies of the documents under court seal and distribute copies to his office and to the CIA. An affidavit will then be prepared telling the court why the documents should remain under seal.

At Bent's suggestion, Judge Pence appointed FBI special agent Robert L. Heafner as an interim court security officer to take custody of the classified material.

Bent said the discovery of the documents has not affected the

criminal investigation of Rewald.

"The FBI is continuing its investigation," he said.

THE HUNT for classified material began after attorney Hart turned over to the court 18 boxes and two garbage bags of records that had been taken from Bishop, Baldwin, Rewald, Dillingham & Wong's offices

after Rewald's suicide attempt. Hart took the action after he saw certain documents that he thought should be reviewed by someone with national security clearance.

Hart said last night he apparently did the right thing in light of the U.S. Attorney's action yesterday. He said he could not discuss what Rewald has told him about his connection with

the CIA because it would violate his attorney-client privilege.

As for the court order directing him to turn over any copies of classified documents he might have, Hart said, "There is nothing to turn over. We don't have any copies."

Rewald's civil attorney, Robert Smith, said he had no comment to make about the discovery of the classified material.

He did say, however, that talks have resumed between him and Hayes about the release of Rewald from prison temporarily to allow him to help try to find company assets.

REWALD HAS BEEN in lieu of \$10 million bail since being charged with two counts of theft of investors' money.

One of those charges, ironical-

Female 'Right-Hand Man' Hunted in Bankruptcy Case

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Wilson was cleared to transport "classified" material to Jack Rardin, current head of the CIA here, and to John Kindschli, head of the office before Rardin. Kindschli joined Bishop, Baldwin, Rewald, Dillingham & Wong as a consultant after he retired from the CIA.

SINCE THE FALL of Rewald's company, Wilson has not been seen, even though several agencies would like to talk to her. Sources said Wilson had been served with a subpoena to appear before a federal grand jury investigating the Rewald case, but that the subpoena eventually was canceled. The grand jury met once several weeks ago after the company was forced into bankruptcy, but has not been convened since.

Honolulu police are trying to find Wilson to serve her with a subpoena to produce documents pertaining to Rewald's company.

Although members of the white-collar crime unit think they may know where she is, the

lowed her to the elevators and convinced her to hand over the letters.

Wilson has been described by former consultants and employees as one of the most powerful people in the company. If Rewald had died, they said, it is Wilson who would probably know the most about the company's activities.

Although she was hired by company president Sunlin L.S. "Sunny" Wong, apparently sometime in 1980, Wilson quickly became aide and confidante to Rewald. She served as his protector, isolating him from certain people in the office, eventually including Wong, a source said.

ALTHOUGH SOME describe her as a concerned mother to the child she has custody of and a diligent worker and organizer, others said she was "ice cold" to office staff members and "terrorized even the consultants." According to court records, Wilson came to Hawaii in 1974 and married a local fisherman

in 1976. The marriage did not last and the couple was separated in December 1977. Divorce proceedings dragged out for four years with a final split coming in August 1981. Wilson kept custody of her six-year-old girl and her husband, Lynsey Wilson, took custody of a son by a previous marriage.

Wilson worked as a hair-stylist and secretary for the Honolulu Board of Realtors before being hired in 1980 as a legal secretary for attorney Russell D.C. Kim.

Kim also was one of the attorneys who worked for Rewald and had an office in Bishop, Baldwin, Rewald, Dillingham & Wong's suite.

By October 1980, she apparently had joined Rewald's company because she sent out personal letters on Bishop, Baldwin, Rewald, Dillingham & Wong stationery.

Court documents shed little light on Wilson's past. She lists no Social Security number on her divorce form and the mid-

ly, stemmed from a statement given to police by the former CIA office head Kindschli. Kindschli told police he lost \$200,000 in the company.

Investors continue to file claims in U.S. Bankruptcy Court. Total claims now surpass \$5 million. Hayes has testified in court that investors probably put between \$10 and \$12 million in Rewald's company.

die initial of her name changes from "J" in early documents to "E" in those filed later. She listed only \$30 in savings at the time of her divorce and personal belongings worth only \$100.

But it was only months later, according to information revealed in court testimony, that Wilson was given power of attorney over at least one multi-million-dollar trust fund and controlled millions of dollars of investors' money.

Bill Urged

WASHINGTON (AP). — A coalition of trade groups and companies pushing a piece of credit industry legislation has pumped \$1.1 million into House campaigns in the past 2½ years, a new study concludes.

The legislation would establish a procedure under which a debtor could be forced into a five-year repayment plan instead of being able to erase most debts through bankruptcy.